GOVERNMENT OF INDIA
ELECTRONICS AND INFORMATION TECHNOLOGY
LOK SABHA

STARRED QUESTION NO:151
ANSWERED ON:26.07.2017
Shifting of BPO Companies to Rural Areas
Joshi Shri Chandra Prakash

Will the Minister of ELECTRONICS AND INFORMATION TECHNOLOGY be pleased to state:

Will the Minister of Electronics and Information Technology be pleased to state:
(a) whether BPO companies are shifting their operations to rural areas of the country for tapping talent to run cost-effective operations;
(b) if so, the details thereof along with the status of the project;
(c) whether the Government is offering certain incentives to such companies to attract them to operate from rural India; and
(d) if so, the details thereof?

Answer

(a) to (d): A Statement is laid on the Table of the House.

STATEMENT REFERRED IN REPLY TO LOK SABHA STARRED QUESTION NO. *151 FOR 26.07.2017 REGARDING SHIFTING OF BPO COMPANIES TO RURAL AREAS
â€¦â€¦..

(a) and (b): Yes, Sir. As per National Association of Software and Services Companies (NASSCOM), the Indian BPO companies are setting up centres in non-metro cities and rural areas of the country to run cost-effective operations. Over the last few years, many small and large BPO companies have significantly enhanced their presence in non-metro locations including rural areas. The Indian BPO industry provides employment to about 10 lakh persons in BPO sector including more than 50% persons from the talent pool of non-metro locations.

(c) and (d): Under Digital India programme, the Government has launched two BPO promotion schemes namely India BPO Promotion Scheme (IBPS) and North East BPO Promotion Scheme (NEBPS), for creation of employment opportunities and promotion of investment in Information Technology and Information Technology Enabled Services (IT/ITES) sector across the country particularly in small cities/towns including rural areas, by incentivizing setting up of 48,300 and 5,000 seats BPO/ITES operations with an outlay of `493 crore and `50 crore respectively.

These schemes provide capital support along with special incentives like encouraging employment to women and physically disabled persons, promoting local entrepreneurs etc. upto `1 lakh/seat in the form of Viability Gap Funding (VGF).

Under IBPS, till date 87 companies have entered into preliminary agreement with Software Technology Parks of India (STPI, Implementing Agency of IBPS) to setup BPO/ITES operations for a total of 18,160 seats distributed around 63 locations covering 19 States and 2 UTs.

Under NEBPS, till date 11 companies have entered into preliminary agreement with STPI to setup BPO/ITES operations for a total of 1,610 seats distributed around 7 locations covering 5 States of North East Region (NER).

Further, details of these schemes are available at https://ibps.stpi.in, www.meity.gov.in/ibps and www.meity.gov.in/nebps

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